# TOPIC 6: LEAVE RELATED PAY EVENTS

The purpose of this topic is to present the steps involved in entering special leave related pay events into the SAM II HR/Payroll System. In this topic you will become familiar with how the SAM II HR/Payroll System calculates and banks federal, state and holiday compensatory time as well as how it calculates pay. You will enter ShareLeave donations and usage into the system using the Leave Accrual (LEAV) document and the Current Period Timesheet (CPER) document. You will also learn how hours for Workers' Compensation are calculated and entered into the system.

**At the end of this topic, you will be able to:**

- Describe how federal and state compensatory time are calculated

- Enter ShareLeave donations and usage

- Manually credit holiday hours for exception paid and positive paid employees

- Describe how pay is calculated

- Describe how Workers' Compensation is calculated
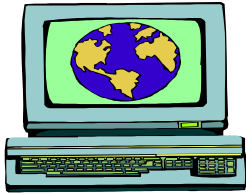
# EMPLOYEE'S FLSA PROFILE OR CLIENT COMPENSATORY PROFILE



The FLSA Profile or the Client Compensatory Profile for an employee can be found on the Sub-Title table.

# LEAVE RELATED PAY EVENTS

The SAM II HR/Payroll System maintains the official leave balance for employees. Leave "accounts" have been established in the system to accommodate the several types of leave events. The most common types of leave "events" are Sick Leave and Annual Leave, which we discussed earlier in this course. However, there are other special leave related pay events which have been established including, among others, Federal Compensatory Time, State Compensatory Time, Holiday Compensatory Time, ShareLeave and Workers Compensation.

## Federal and State Compensatory Time

The Fair Labor Standards Act (FLSA) sets standards for accruing overtime pay and compensatory time for employees who fall within certain guidelines. The SAM II HR/Payroll System automatically generates compensatory time using the standard "time and a half" calculation based on FLSA Profile (FLPR) information defined for the employee on the Sub-Title (STTL) window.

The State of Missouri compensates additional hours worked not covered by FLSA as non-federal or "straight" compensatory time. The SAM II HR/Payroll System automatically generates "straight" compensatory time based on the Client Compensatory Profile (CCPR) information defined for the employee on the Sub-Title (STTL) window.

## ShareLeave

The State agencies that are covered under Section 36.350, RSMo may establish ShareLeave programs within their agencies for employees to donate leave to other employees. These programs may be established under the conditions set out within 1 CSR 20-5.025 of the Rules of the Personnel Advisory Board and Division of Personnel.

If an employee wants to donate leave to the ShareLeave pool, this employee will need to make a negative entry on a timesheet (CPER, CREW, CITS or LEAV) document using the appropriate number of hours, date and leave event code. This will serve to draw down the employee's designated leave balance in the amount of the donation.
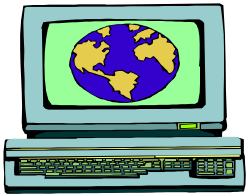
# WORK DAY SCHEDULE (WDAY)

| Work Day Schedule | _ □ ✕ |
|---|---|

Work Cycle  OUS

Year  00  Month  01

|  | Schedule Day | Schedule Type ID |
|---|---|---|
| 1 | 01 | 0 |
| 2 | 02 | 0 |
| 3 | 08 | 0 |
| 4 | 09 | 0 |
| 5 | 15 | 0 |
| 6 | 16 | 0 |
| 7 | 17 | H |
| 8 | 22 | 0 |
| 9 | 23 | 0 |
| 10 | 29 | 0 |
| 11 | 30 | 0 |
| 12 |  |  |

Example: Martin Luther King, Jr's. birthday is defined here.

NOTES

# LEAVE RELATED PAY EVENTS

For employees designated by their agency to receive an allocated amount of ShareLeave to utilize, you will need to make the entry for the appropriate number of hours, date and leave event code for utilizing a ShareLeave donation on a current period timesheet or a prior period timesheet. The designated ShareLeave donation events will build a negative balance for the employee for ShareLeave. This balance will be representative of the ShareLeave used by this employee to date. These ShareLeave usage events, just like all the other usage events, will "back out" regular pay and supplement with the corresponding pay event for the specified ShareLeave leave event.
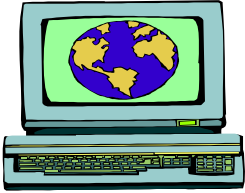
## Holidays

The following and other days or dates that may be designated by the Governor or the President of the United States are paid holidays:

- First day of January, New Year's Day

- Third Monday in January, Martin Luther King, Jr. Day

- Twelfth day of February, Lincoln's Birthday

- Third Monday in February, Washington's Birthday

- Eighth day of May, Truman's Birthday

- Last Monday in May, Memorial Day

- Fourth day of July, Independence Day

- First Monday in September, Labor Day

- Second Monday in October, Columbus Day

- Eleventh day of November, Veteran's Day

- Fourth Thursday in November, Thanksgiving Day

- Twenty-fifth day of December, Christmas Day

Holidays falling within the period of annual or sick leave shall not be counted as workdays in computing such leave.

A holiday shall be considered as a period of 8 hours. If an employee is scheduled to work more than 8 hours on a holiday, the hours over 8 cannot be counted towards holiday pay or holiday comp time. For example, if an employee does not work on a holiday on which he is scheduled to work for 10 hours, only 8 hours can be coded as the holiday and the other 2 should be coded to another type of leave (vacation, etc.). If the employee works more than 8 hours on a holiday, the hours over 8 should be coded as additional hours.

# WORK DAY SCHEDULE (WDAY)

| | Work Day Schedule | | |
|---|---|---|---|
| **Work Cycle** | OUS | | |
| **Year** | 00 | **Month** | 01 |

| | Schedule Day | Schedule Type ID |
|---|---|---|
| 1 | 01 | 0 |
| 2 | 02 | 0 |
| 3 | 08 | 0 |
| 4 | 09 | 0 |
| 5 | 15 | 0 |
| 6 | 16 | 0 |
| 7 | 17 | H |
| 8 | 22 | 0 |
| 9 | 23 | 0 |
| 10 | 29 | 0 |
| 11 | 30 | 0 |
| 12 | | |

NOTES

# LEAVE RELATED PAY EVENTS

All exception-paid employees, regardless of schedule, shall receive credit for the same number of paid holidays as employees whose regular work schedule is Monday through Friday.

As long as an exception-paid employee is in pay status for the given pay period, the SAM II HR/Payroll System will automatically generate pay for the holidays in that pay period. The designated holidays are coded into the system's Work Day Schedule (WDAY) table by the system administrator to ensure that pay for the holidays is automatically generated. In addition, by having the holidays coded into the system, the holiday compensatory time an employee is eligible for is banked to a separate "holiday comp" balance. However, there are instances in which an agency may need to manually intervene to correctly apply the holiday:

- If an exception paid employee is not in pay status during the entire pay period

- If an exception paid employee works on a designated holiday

- If a holiday falls on an exception paid employee's regularly scheduled day off

- If an exception paid employee works on a holiday, which also happens to be a regularly scheduled day off

The SAM II HR/Payroll will not automatically generate pay for holidays for positive-paid employees because positive-paid employees do not systematically refer to the WorkDay Schedule (WDAY) table where the system administrator has coded the designated holidays. The agency must enter the appropriate holiday hours onto a timesheet. These holiday hours to be paid may be entered onto the timesheet that the agency is using to enter the hours worked by the positive-paid employee for that pay period.

## Exception Paid Employees whose Work Day is More than 8 Hours

An employee works from 10 hours per day Monday through Thursday. On Labor Day (Monday) they worked 10 hours. The agency would need to enter 8 hours of HOLWK (Holiday Worked) to accrue 8 hours of holiday compensatory time for the employee.

Additionally, they need to report the additional two hours worked. However, they also need to make sure that the other 2 hours that the employee normally has scheduled is not counted by the system. If this happens, then the employee could accrue additional state compensatory time for which they were not eligible.

To resolve this, the agency would enter 2 hours of REGLR and check the reduce base pay flag. This would record the 2 additional hours worked and "back out" the 2 hours on the employees regular schedule.

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# LEAVE RELATED PAY EVENTS

A terminating employee shall receive credit for a holiday if the employee has worked the last scheduled working day before the holiday.

- A holiday falls on the 31st of the month and an employee tenders his/her resignation effective the 31st of that month. As long as the employee worked the last scheduled working day before the holiday, the employee will be eligible for the holiday pay for the 31st of the month. The system will automatically generate the holiday pay as long as the agency submits the Employment Status Maintenance (ESMT) transaction to resign the employee effective the 1st of the following month.

- A holiday falls on the 31st of the month and an employee tenders their resignation effective the 31st of that month. However, the employee takes paid leave the entire pay period in which the holiday falls. Since the resigning employee never physically reports to work in the pay period in which the holiday falls, the employee is not eligible for the holiday pay for the holiday. The agency must prevent the system from automatically generating the holiday pay by making the ESMT transaction to resign the employee effective the 31st of the month.

- A holiday falls within the current pay period. However, a terminating employee takes leave the entire pay period, making that employee ineligible for the holiday pay. The SAM II HR/Payroll System will not recognize that this is a terminating employee. As a result, the agency will need to enter leave for the holiday in addition to entering the leave for the regular workdays within that current pay period.

The following will indicate how SAM II HR/Payroll users will calculate Holiday Compensation time for positive-paid (hourly employees) who are in active pay status:

- Employees who work forty to fifty-nine (40-59) hours in a semi-monthly pay period, shall receive one-half (1/2) credit.

- Employees who work sixty to seventy-nine (60-79) hours in a semi-monthly pay period, shall receive three-fourths (3/4) credit.

- Employees who work eighty (80) or more hours in a semi-monthly pay period, shall receive full credit.

- Other positive-paid (hourly) employees who are scheduled to work less than one-half (1/2) time in a semi-monthly pay period, or who are paid on a per diem basis are not entitled to holiday compensation.

# PAY CALCULATIONS: STANDARD PAY PERIOD HOURS

In order to pay exception-paid employees consistently, standard pay period hours have been established as 86.667 hours per pay period.

2080 Annual Work Hours
————————————————————

24 Semi-Monthly Pay Periods

= 86.667 Standard Pay Hours Per Pay Period

# LEAVE RELATED PAY EVENTS

## Pay Calculations

The Pay Class (PYCL) window defines the grouping for employees whose pay is calculated in an identical manner. The Pay Class code on an employee's record informs the system on how to interpret an employee's permanent pay parameters and how to receive rates of pay from the Pay Rate (PPRT) window for table-driven pay. Every exception-paid employee must be tied to a Pay Class.

The State of Missouri has set an 86.667 hour standard for pay period hours. This is based on the annual work hours of 2080, divided by the 24 twice-a-month pay periods in a year. Exceptions to these standard hours may occur for exception-paid employees in agencies with different business schedules (i.e. school-term employees).

Standardizing the pay period hours in the SAM II HR/Payroll system serves two purposes:

1. Pays a consistent amount to exception-paid employees for each pay period even though the number of hours in a pay period fluctuate

2. Calculates a consistent hourly rate to apply to time and leave entered onto system timesheets based on 2080 total working hours in a year

While standard pay period hours provide for a consistent pay period amount and hourly rate of pay, they may not necessarily represent the actual pay period hours. There are circumstances where the fluctuation between standard and actual hours impact pay for leave processing or Pending Payment (PEND) entries.

For example, the pay period is 80 hours and an employee is absent from work during the entire pay period (annual leave, sick leave or leave without pay).

Since the SAM II HR/Payroll System is utilizing the standard hours of 86.667, the processing of only 80 hours as the actual pay period hours will result in 6.667 hours of pay being unaffected in that pay period. For example, the system would reflect 80 hours of annual leave and 6.667 hours of regular pay. If the employee took leave without pay for 80 hours, the system would dock the employee 80 hours and generate 6.667 hours of regular pay.

NOTES

# LEAVE RELATED PAY EVENTS

While it may seem inaccurate to have unaffected pay hours when all the hours in the actual pay period were affected, it is not inaccurate due to the State of Missouri utilizing standardized pay period hours. The employee will be charged the actual hours of leave for the actual hours of leave taken. The standardized pay period hours drive the occasional existence of hours additional to the actual hours in a pay period. Those additional hours due to standardization of the pay period hours are, in truth, unaffected by the action taken in that pay period and need to remain unaffected to properly represent that employee's pay over the year.

If the pay period is 88 hours and the employee is absent from work the entire pay period using paid leave (annual, sick, or comp), the SAM II HR/Payroll System will actually process all 88 hours in Pending Payment (PEND) records within that pay period regardless of the standard hours being designated as 86.667.

> NOTE: In the SAM II HR/Payroll system, leaves of absence count toward an employee's accrual rate change date (for example, after ten years of service, an employee's accrual rate changes from 5 hours a pay period to 6 hours a pay period). Agencies should follow their own internal policy regarding leaves of absences.

However, if the pay period is 88 hours and the employee is absent from work the entire period using leave without pay, only the standard hours of 86.667 will be docked in that particular period because those are all the hours that can possibly be docked in one pay period. The remaining 1.333 hours of leave without pay will be docked from the next pay period. Again, the employee is only being charged the actual hours of leave taken, regardless of the appearance of having leave without pay being docked from a pay period outside the actual pay period in which the leave without pay occurred.

**NOTE:** These fluctuations in no way impact the employee's leave balance, since the leave is reported on a daily basis. These fluctuations appear only in the Pending Payment (PEND) records and historical pay records.

In coordination with the 'effective dating' functionality utilized in the SAM II HR/Payroll System, the system-calculated daily rate drives calculation for pay adjustments generated through Employment Status Maintenance (ESMT) transactions (i.e., promotions, official leaves of absence).

While the application of standard pay period hours on the Pay Class (PYCL) window provides for a consistent pay period amount and hourly rate of pay, utilizing standard pay period hours does not affect the system's calculation of a daily rate.

The SAM II HR/Payroll arrives at the daily rate by dividing the employee's standardized twice-a-month pay by the standardized number of pay period days specified on the Pay Class (PYCL) window.

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NOTES

# LEAVE RELATED PAY EVENTS

## Daily Rate (ESMT) example

New employee, paid $1000/pay period, starts work on the fifth day of a pay period, working only 8 of the 10 days in this particular pay period. The agency would generate an ESMT to make the appointment effective the fifth day of the pay period, their start date.

Pay period amount / pay period days x pay period days worked

= $1000/10 pay period days

= $100 per day x 8 days worked

= $800.00 paid

Pay calculations of time entered onto system timesheets are calculated utilizing the hourly rate derived from the identified 'Pay Class Standards' from the Pay Class (PYCL) window.

## Hourly Rate (Timesheet) example

An exception-paid employee, paid $1000/semi-monthly pay period, takes leave without pay the first 2 days of 10 pay period days. The agency would use a Current Period Timesheet (CPER) to record leave without pay for the first 2 days of the pay period.

The system would calculate the employee's resulting pay in the following manner:

Pay period amt. – Pay period amt. x yearly pay periods/yearly work hrs x hrs. absent

= $1000 – ($1000 x 24) / 2080 x (2 days x 8 hours per day)

= $1000 – ($24,000/2080) x 16 hours

= $1000 - $11.54 hourly rate x 16 hours

= $1000 - $184.62

= $815.38

Once entered and processed, all events entered on-line into a timesheet will display, by employee, on the Pending Payment Window (PEND). The PEND window reflects how the timesheet action will affect the employee's regular pay. It also provides information on the system calculations performed regarding the affect on pay.

# SHARELEAVE

| Batch: | Document: LEAV 300  12345648 | | _ □ ✕ |
|---|---|---|---|
| Name | | | |
| Employee ID |   -  - | Appointment ID | |
| Input Total | | Computed Input Total | |

| Event Date | Event Type | Amount |
|---|---|---|
| / / | | |

NOTES

# LEAVE RELATED PAY EVENTS

## Workers' Compensation

Under the Missouri Workers' Compensation Law, if the treating doctor certifies that an employee is unable to work due to a workers' compensation injury, this employee should be entitled to "temporary total disability (TTD) benefits" when he/she is off work in connection with a workers' compensation covered injury. Employees will not be paid TTD benefits for the first three regularly scheduled work days they are off, but they should be paid for each day missed thereafter, and also for the first three days if they are off more than two weeks. The amount of these benefits is two-thirds of the employee's gross average weekly wage. It is subject to certain maximums, which change each year. The law contains a formula for determining the employee's average wage, which usually involves computing the average gross wages earned over the 13 weeks prior to the accident. The Central Accident Reporting Office (CARO) automatically calculates and distributes the Temporary Total Disability benefits, as applicable.

The Temporary Total Disability wages are automatically generated by the Central Accident Reporting Office, as appropriate, for employees on Workers' Compensation absences.

When an employee is on a Workers' Compensation absence, the agency needs to enter into the SAM II HR/Payroll System timesheet(s) the designated day's hours utilizing the employee designated leave balance, or leave without pay. However, Sick Leave usage to cover Workers' Compensation absences is allowable only as a supplement to the Temporary Total Disability (2/3 wages) benefit. Sick Leave entered onto a timesheet to cover a Workers' Compensation absence should never exceed 1/3 of the day's hours. The Central Accident Reporting Office (CARO) will generate and distribute to the agencies a monthly report indicating what TTD benefits were paid to the employee. The agency may use this report to ensure the appropriate usage of Sick Leave in connection with the TTD benefits.

# FEDERAL AND STATE COMPENSATORY TIME

## FLSA HOURS (FLHR)

**FLSA Profile**

| FLSA Profile | |
|---|---|
| Effective Date | / / |
| Expiration Date | / / |
| Short Description | |
| Long Description | |

FLSA Information

| Plan Type | |
| Pay Type | |
| Work Cycle | |

Comp Time

| Event Type | |
| Offset Event Type | |
| Category | |
| Max Number of Hours | |

## WORKDAY SCHEDULE (WDAY)

**Work Day Schedule**

| Work Cycle | |
| Year | |  Month | |

| | Schedule Day | Schedule Type ID |
|---|---|---|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |

## FLSA PROFILE (FLPR)

**FLSA Hours**

| FLSA Plan Type ID | | Number of FLSA Cycle Days | |
|---|---|---|---|
| Effective Date | / / | Expiration Date | / / |
| Short Description | | | |
| Long Description | | | |
| Number FLSA Maximum Regular Hours | | | |

## FLSA WORK CYCLE (FLWK)

**FLSA Work Cycle**

| | Work Cycle | Effective Date | Expiration Date | Short Description | Long Description |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |

# FEDERAL AND STATE COMPENSATORY TIME

Most of the data used for determining FLSA comp time or Missouri "straight" accruals is governed by the employee's FLSA and CCPR profile codes, which are defined on the Sub-title (STTL) table.

> **NOTE:** For multi-appointment employees, the primary appointment defines the FLSA data for the employee.

The FLSA Profile defined on the FLSA Profile (FLPR) table is associated with other pay and FLSA tables that define FLSA parameters. The FLPR window associates the FLSA profile code to the pay Event Type that defines FLSA pay parameters, the FLSA Work Cycle (FLWK), and the FLSA Plan Type as defined on the FLSA Hours (FLHR) table. In addition, it defines the rules for paying out FLSA pay with compensatory time rather than cash. The FLSA Profile code is tied to the position title through its sub-title.

The FLSA Work Cycle code defined on the FLSA Work Cycle (FLWK) table is entered on the FLSA Profile (FLPR) and the Pay Cycle (CYCL) windows. It defines time periods that constitute a normal work schedule for different FLSA plan types. All FLSA non-exempt exception paid employees must be associated with a work cycle.

The FLSA Plan Type ID found on the FLSA Hours (FLHR) code is also entered on the FLPR window. The FLHR table names the user's combinations of "Number of FLSA Cycle Days" and "Number FLSA Maximum Regular Hours". In order for employees to receive compensatory time or overtime pay, they must work the maximum hours stated in their FLSA plan type. This table is also used to infer the maximum number of FLSA regular hours that must be worked before overtime is paid.

The Work Day Schedule (WDAY) window, developed and maintained by the system administrator(s), is used to determine the days an exception-paid employee works. This is used not only for FLSA workweek processing and compensatory time calculation, but also for effective dating of actions taken on employees and/or positions.

# CLIENT COMPENSATORY PROFILE (CCPR)

**Client Compensatory Profile**

| | |
|---|---|
| Client Profile | |
| Effective Date | / / |
| Expiration Date | / / |
| Short Description | |
| Long Description | |

**FLSA Information**

| | |
|---|---|
| Plan Type | |
| Work Cycle | |
| Client Pay Type | |

**Comp Time**

| | |
|---|---|
| Client Event Type | |
| Client Offset Event Type | |
| Client Category | |
| Client Max Number of Hours | |

NOTES

# FEDERAL AND STATE COMPENSATORY TIME

While the FLPR provides for federal compensatory time processing, the Client Compensatory Profile (CCPR) accomplishes for "state" or non-federal compensatory time processing. The CCPR, developed and maintained by the system administrator(s), is used to group employees who follow the same non-federal comp time processing. The CCPR window utilizes the same FLSA Hours and FLSA Work Cycle definitions used for federal compensatory time processing. The profile identifies how many hours make up a standard workweek and whether additional hours should be paid or roll to compensatory time. Like the FLPR window, the CCPR profile code is tied to the Title (TITL) through its Sub-Title (STTL).

As with all other time and leave events, you will enter additional hours using the appropriate pay event code for working additional hours, onto a current period timesheet or prior period timesheet as appropriate. The appropriate code would be "ADDHR". The SAM II HR/Payroll will automatically process the additional hours appropriately, as federal compensatory time (time and one-half) or state compensatory time (straight time). This is accomplished by the system at the end of each designated pay period.

The system counts the number of hours entered for the employee's designated FLSA and/or CCPR work week and compares this count to the parameters established for the employee on their FLPR and/or CCPR. If the hours for the employee exceed the parameters established, the system will again look at the FLPR and CCPR for the appropriate action to take. The appropriate leave event will be generated and the additional hours will be:

- Added to the federal comp, straight comp, or holiday comp as appropriate for full-time employees;
- Added to the paycheck for temporary/hourly employees (at the discretion of the agency).

When the end of a pay period falls in the middle of an FLSA or CCPR workweek, the calculations cannot be completed accurately until the system reaches the end of that FLSA/CCPR workweek (in the next pay period). This will impact the calculation of additional hours eligible for time and one-half.

**EXAMPLE:** An employee who is eligible for federal compensatory time works additional hours on Monday and Tuesday, but the pay period ends on Wednesday. The SAM II HR/Payroll System will be unable to determine if the additional hours are eligible for time and one-half until it can read the remainder of that FLSA workweek. Therefore, the system will hold the additional hours until all the information for the FLSA cycle is available. If, at that point, it is determined that those hours are eligible for time and one-half, those calculations will be made and hours will be banked at the end of the next pay period.

Leave Related Events